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## **OFFICE OF THE COUNTY AUDITOR INTEROFFICE MEMORANDUM**

TO: All Council Members  
FROM: Lauren M. Smelkinson, County Auditor  
DATE: October 1, 2013  
SUBJECT: Correction to Council Meeting Notes

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Please find attached revised Bill 47-13 (2013-2014 Capital Budget – Major Maintenance) to the Council Meeting Notes issued September 26, 2013. The note was revised to reflect that 118 existing schools (rather than 119), excluding special programs/centers, have air conditioning or are planned for installation.

This item will be discussed at the October 1, 2013 work session for the October 7, 2013 Council meeting.

Attachment

cc: notes distribution list

**Bill 47-13 (Supplemental Appropriation)****Council District(s) 2, 4, & 6****Mr. Quirk (By Req.)****Office of Budget and Finance****The 2013-2014 Capital Budget – Major Maintenance**

The Administration is requesting a supplemental appropriation of bond premium funds totaling \$17,244,741, generated from the County's December 12, 2012 bond sale, to the Major Maintenance (Schools) capital project. The funds represent the County's required contribution toward the cost of air conditioning installation at Parkville Middle, and Featherbed Lane, Scotts Branch, Wellwood International, and Hawthorne elementary schools; the State will provide an additional \$11,715,000 toward the cost of these projects.

**Fiscal Summary**

<b>Funding Source</b>	<b>Supplemental Appropriation</b>	<b>Current Appropriation <sup>(2)</sup></b>	<b>Total Appropriation</b>
<b>County</b>	\$ 17,244,741 <sup>(1)</sup>	\$ 162,776,541	\$ 180,021,282
<b>State</b>	--	--	--
<b>Federal</b>	--	--	--
<b>Other</b>	--	--	--
<b>Total</b>	<u>\$ 17,244,741</u>	<u>\$ 162,776,541 <sup>(3)</sup></u>	<u>\$ 180,021,282</u>

<sup>(1)</sup> Bond premium funds generated from the December 12, 2012 bond sale.

<sup>(2)</sup> Major Maintenance is an on-going capital project. The current appropriation for this project is based on the County's financial system as of September 24, 2013, but may not necessarily reflect the total appropriation since the inception of this capital project.

<sup>(3)</sup> \$161,593,837 in County funds and \$1,182,704 in non-County funds.

**Analysis**

The FY 2013 Maryland General Assembly approved an additional \$25 million in statewide funding for the FY 14 Capital Improvement Program: Air Conditioning Initiative (FY14 CIP-ACI). The intention of the FY14 CIP-ACI is to provide funding for air conditioning in schools that currently lack central air conditioning in spaces used for educational programming, with priority given to classrooms and to schools that have no air conditioning. FY14 CIP-ACI funds are

allocated to projects that meet specific eligibility requirements, and all approved projects have a local match requirement based on the State-local cost share percentage applicable to projects approved in the FY 2014 Capital Improvement Program.

The Office of Budget and Finance advised that on May 23, 2013, Baltimore County submitted 5 air conditioning projects to the State Public School Construction Program (PSCP) for FY14 CIP-ACI funding, as follows: Parkville Middle, and Featherbed Lane, Scotts Branch, Wellwood International, and Hawthorne elementary schools. On July 18, 2013, the State's Interagency Committee on School Construction (IAC) voted favorably on the County's request and submitted its recommendations to the Board of Public Works (BPW) for approval. On August 21, 2013, the BPW voted favorably on the State funding and awarded the County a total of \$11,715,000 for the 5 air conditioning projects, as follows: Parkville Middle - \$3,017,000; Hawthorne Elementary - \$2,584,000; Featherbed Lane Elementary - \$2,126,000; Scotts Branch Elementary - \$2,058,000; and Wellwood International Elementary - \$1,930,000.

The proposed supplemental appropriation of \$17,244,741 reflects the County's matching requirement and is derived from bond premiums generated by the County's December 12, 2012 bond sale. The December bond issuance yielded a total of \$34.9 million in bond premiums. The Office advised that its plan is to use the remaining \$17.7 million in bond premiums to offset debt service payments.

Baltimore County Public Schools advised that the projects are anticipated to begin in spring 2014 and be completed by spring 2015.

118 existing County schools (excluding special programs/centers) have air conditioning or are planned for installation; 38 existing schools remain without current plans for installing air conditioning.

With the affirmative vote of five members of the County Council, Bill 47-13 will take effect October 21, 2013.